

City of San José

Coyote Valley Specific Plan

Summary of Task Force Meeting September 12, 2005 200 E. Santa Clara Street, Rooms W118-120

Task Force Members Present

Co-chair Mayor Ron Gonzales, Co-chair Councilmember Forrest Williams, Supervisor Don Gage, Chuck Butters, Eric Carruthers, Helen Chapman, Russ Danielson, Gladwyn D'Souza, Craig Edgerton, Phaedra Ellis-Lamkins, Dan Hancock, Doreen Morgan, Ken Saso, Steve Schott, Jr., Steve Speno, Neil Struthers, and Terry Watt.

Task Force Members Absent

Christopher Platten.

Technical Advisory Committee (TAC) Members Present

Dawn Cameron (County Roads), Jane Mark (County Parks), Michele Beasley (Greenbelt Alliance), Shanna Boigon (SCCAOR), Libby Lucas (Native Plant Society), and Kerry Williams (CHG).

City and Other Public Agencies Staff Present

Councilmember Linda J. LeZotte (Council District 1), Keith Stamps (Council District 2), Lana Togami (Council District 2), John Mills (Council District 6), Laurel Prevetti (PBCE), Sal Yakubu (PBCE), Susan Walsh (PBCE), Mike Mena (PBCE), Sylvia Do (PBCE), Perihan Ozdemir (PBCE), Paul Krutko (OED), Gerry DeGuzman (Public Works), Rebecca Flores (Housing), JenJoy Roybal (OCA), and Luke Vong (DOT).

Consultants Present

Doug Dahlin (Dahlin Group), Roger Shanks (Dahlin Group), Jim Musbach (EPS), Jim Thompson (HMH Engineers), and Eileen Goodwin (Apex Strategies).

Community Members Present

Mayor Dennis Kennedy, Tom Andrade, Tom Armstrong, Pete Benson, Sean Charpentier, Roger Costa, Frank Crane, Consuelo Crosby, Jo Crosby, Richard DeSmet, Jolleen Dhillje, Robert Eltgroth, Janet Hebert, Dave Higgins, Virginia Holtz, Dan Hunsaker, Matt King, Otto Knorr, Jack Kuzia, Pat Kuzia, Yoon Lee, Rick Linquist, Sarah Muller, Maralee Potter, Dorine Ravizza, Michael Ravizza, George Reilly, Peter Rothschild, Annie Saso, Erik Schoennauer, Pete Silva, Stephanie Schaaf, Jim Lightbody, and Jerry Strangis.

1. Welcome

The meeting convened at 5:30 p.m. with Co-chair Councilmember Forrest Williams welcoming everyone to the 36th Coyote Valley Specific Plan (CVSP) Task Force meeting.

2. Acceptance of August 29, 2005 Task Force Meeting Summary

Councilmember Williams called for a motion to accept the August 29, 2005 Task Force meeting summary. The motion passed unanimously.

3. Revision and Approval of Co-chairs' Draft Timing and Logistical Requirements

The Task Force discussed Attachment II Items 5, 6 and 7 of the co-chair's Timing and Logistical Requirements memorandum. The purpose of this discussion is to finalize the Task Force's recommendations to the Council regarding items 5, 6 and 7 of Attachment II.

Item #5: Residential development phases must include average densities that are within X^1 of the units per acre of the average densities required by the specific plan for the first 30 percent of build out. Thereafter, any density range can proceed.

¹It would be reasonable to suggest that it will not be possible to have the exact housing densities in any one phase of implementation. We would recommend that early phases call for densities to be within close proximity of the average densities called for in the overall plan so that we do not have all the low density housing developed first and leave higher densities later.

Laurel Prevetti, Deputy Director of the Planning, Building and Code Enforcement (PBCE) Department, explained that the Plan's densities range from 10 to 100+ dwelling units per acre (DU/AC), with an average density is 18 DU/AC.

The Task Force provided the following questions and comments regarding Item #5:

- An average of 18 DU/AC is a good starting point.
- Each phase should meet an average of 18 DU/AC as a minimum.
- It was mentioned at a previous Task Force meeting that the average density was 21 DU/AC.
- What is "X"? *X represents the variance for a range.*
- What is the staff recommendation for "X"? *There is no specific staff recommendation at this time.*
- Need to know what density is needed to carry out the plan.
- If all of one particular density is built first, how do you achieve the rest of the density ranges? *Laurel said that based on a market study performed last year, the market support a wide range of densities and products over time.*
- How do you enforce and reach density goals at the end of the project?
- Is the Council willing and able to adopt ordinances to enforce density requirements? *Mayor Gonzales stated that the Council has the ability to adopt ordinances. However, Council has not approved the Plan yet.*
- One option could be to take the Plan to the voters to prevent subsequent changes without voter approval.
- How would this policy work over time?
- What happens after the first 30 percent of build out?
- With each phase, the average 18 DU/AC density must be met from the beginning to build-out. This should not only apply to the first 30 percent of build-out.
- Would like the last sentence, "Thereafter, any density range can proceed," taken out.
- Density should be high enough to fund the Greenbelt.
- Recommended comparing densities of different cities such as San Francisco, San Diego, and Manhattan.
- The density average should be higher in the Core area.
- Would like to encourage higher densities, particularly for the first phase.
- Need to understand what infrastructure goes in each phase.
- What is considered a phase? *Laurel explained that "phase" refers to a phase of infrastructure improvements.*
- How many phases are planned? *Laurel indicated that the total number of phases is not known at this time.*

The public provided the following comments:

- Richard DeSmet, a South Coyote Greenbelt property owner and representative of the Coyote Valley Alliance for Smart Planning, indicated that he was glad that the Task Force did not endorse any legislation on densities because it was legislation that got the Greenbelt into a mess. Up until today's discussion about having higher densities to fund the Greenbelt, nothing has been done for the area. San Jose residents passed Measure K on an area located in the City's sphere of influence, but would not be annexed into the City.

The following is the Task Force's revised version of Item #5:

“Residential development phases must include average density that yields a least 18 units per acre.”

Item #6: The only jobs that may be counted for the job/housing development ratio include “driving industry” jobs and “business-serving industry” jobs as described in the 2003 San Jose Economic Development Strategy. This would exclude jobs in the fields of retail/consumer services and civic service (e.g. government, non-profit, utilities, education, etc), from the calculation of the ratio.

Paul Krutko, Director of the Office of Economic Development, explained the City's economic development strategy. He described three job categories: driving industry jobs, business-support jobs, and people-serving jobs. The City's goal is to continue attracting global businesses, such as Cisco Systems and IBM, that bring revenues to the City and draw other support businesses.

The Task Force provided the following questions and comments regarding Item #6:

- There were previously manufacturing jobs in Coyote Valley.
- The Plan has changed since the previous plan. The old definition of jobs no longer corresponds with the current Plan.
- Will the proposed criteria evaluate the type of jobs or wages? *Paul explained that the criteria would evaluate the type of jobs.*
- Why would the proposed criteria evaluate only the type of jobs? Recommended that the criteria evaluate wages.
- City should look for jobs that can bring resources to the area. Particularly at the type of industry, not the type of jobs.
- Need to attract jobs that bring sales and revenues, and jobs with living wages and benefits.
- Need to look at the quality of the job versus the type of job. Type of job is difficult to define.
- Need to consider “living wage” jobs.
- Not sure how counting “living wage” jobs is a policy issue.
- Need to better understand the term “driving industry jobs.” This is not a question about what people will be paid; this is about what types will drive the economy in the future.
- How many driving industry jobs are needed to make the plan work?
- Need to understand what types of jobs will be coming in by doing early market research.

- Need industries that can tie economic development policy to City growth.
- How will we ensure that the jobs are counted? Will it be measured by building permit issuance, leasing, or after the jobs are in place? *Paul indicated that the City typically bases it on building square footage. We should focus on driving industry jobs since they correlate with the economics of Coyote Valley. We also need to recognize the quality of jobs even if they do not meet the criteria for driving industry jobs. Cannot think of other ways to count jobs other than to base it on building square footage.*
- Need to be more than just building permits.
- Are speculative buildings being considered? *Paul indicated that speculative buildings are very rare. There is only one we know to exist in Downtown.*
- Need to look at what the City has done in the past in terms of uses, job requirements, and industrial space. This model could be applicable to Coyote Valley as well.

The following is the Task Force's revised version of Item #6:

"The only jobs that may be counted for the jobs/housing development ratio include a majority of "driving industry" jobs and "business-serving industry" jobs as described in the 2003 San Jose Economic Development Strategy as well as living wage/quality jobs (i.e. health care and construction jobs). This would exclude jobs in the fields of retail/consumer services and civic services, such as government, non-profit, utilities, education, etc. from the calculation of the ratio."

Laurel reviewed a matrix regarding changes in key fiscal assumptions. The first set of fiscal assumptions presented at the August 15, 2005 Task Force meeting was used in the preliminary, static analysis of the first nine years of Coyote Valley development. City staff did not review the first set of assumptions prior to the Task Force meeting. For this reason, the results were presented with strong caveats about the preliminary nature of the numbers. The second set of assumptions presented at today's Task Force meeting was based on input from City staff. Fiscal issues associated with Coyote Valley development will ultimately be evaluated based on a much more detailed, annualized model derived from specific service plans and cost estimates that reflect the expected timing of expansion of services and construction of public facilities. This study is currently in progress.

The Task Force provided the following question regarding changes in key fiscal assumptions:

- Do the assumptions for fire and library costs include operating costs and capital costs? *Laurel explained that they only include operating costs.*

Item #7: Fair-share contributions for all infrastructure through an assessment district, developer turnkey activity, or other mechanisms must be completed using standard City procedures.

Laurel clarified that turnkey development is when the developer builds a park or school and turns it over to the appropriate governmental entity. There may be cost savings with the turnkey approach. Laurel also indicated that based on standard city procedure, the City has a higher bonding ratio than the state. She asked the Task Force whether the City should continue pursuing a higher bonding ratio for the CVSP.

The Task Force provided the following questions and comments regarding Item #7:

- Important that the Budget Director reviews the economic feasibility of every phase so that each subsequent phase is a fiscal net benefit to the city. This assures that current San Jose residents will have existing service levels maintained or improved even with Coyote Valley development.
- Do the assumptions include the concept of residential development bringing in revenue, as previously discussed? *Laurel recommended that conclusions be drawn after the fiscal analysis is completed.*
- Economic consultants should do a complete fiscal analysis before the Task Force draws any conclusions. *There will be a full-blown fiscal impact analysis prepared that may be available in November.*
- Need to look at the project over 30 years, since values and fiscal conditions can change over time.
- The phasing scenario should go beyond fiscal threshold and should achieve what we want for Coyote Valley.
- Suggested a fifth phasing scenario to be looked at in financial and fiscal analyses: Have an initial phase of 10,000 housing units and 15,000 jobs, with an initial increment of 3,000 housing units and 3,000 jobs. This would ensure that job development would be concurrent with residential development upfront. This phasing scenario would provide a broad enough phase to allow for critical elements such as physical infrastructure, affordable housing, and funding for Greenbelt preservation.
- The fifth phasing scenario captures the goals of place making and concurrency.
- Concurrency would be more attainable with a smaller initial increment.
- What happened to the 2:1 jobs/housing ratio? *This fifth phasing scenario is another phasing alternative. The 50,000 jobs and 25,000 housing unit's goal would remain. The initial phase of 10,000 housing units and 15,000 jobs may not meet the 2:1 jobs/housing ratio.*
- Would be surprised if the fifth phasing scenario pencils out financially.

The Task Force made no revisions to Item #7, below:

“Fair share contributions for all infrastructure through an assessment district, developer turnkey activity, or other mechanisms must be completed using standard City procedures.”

4. Discussion of Community Health Care Clinics

Sarah Muller of Working Partnerships discussed the need for and funding of health care clinics in Coyote Valley as outlined in their report, *Building a Healthy Coyote Valley: A Proposal for Community Health Clinics*, which was distributed to the Task Force.

The Task Force provided the following questions and comments regarding health care clinics:

- Impressed by the report.
- Need to include health care services as part of the infrastructure framework.
- Unavoidable that Coyote Valley will have people who need public health care services.
- About 20 years ago, the County Board of Supervisors convened a Hospital Planning Commission, which has since disbanded. Appalled by the County's hospital services. The County is the primary provider of public health care services. Need to look at this seriously.
- The City of Chino is looking at adding health care to its General Plan.
- "This is cutting edge." Coyote Valley could be on the forefront of community planning for health care facilities.
- Would these be public or private facilities? *They are typically public facilities.*
- Are private dollars available to finance these health care clinics?
- Need to look at ways to fund this.
- Services need to be accessible to those who walk.
- Should explore health care facilities in conjunction with schools and Gavilan College.
- Believes in affordable health care for Coyote Valley and for everyone.
- Morgan Hill is trying to reopen the DePaul Health Center. Need to ensure that there is not over saturation of health care clinics.
- This is a smart approach to a complicated issue. Need to know more about health care clinics in order to find out how to accomplish this goal.

The public provided the following comments:

- Andrew Barna, Director of Strategic Development at O'Connor Hospital, indicated that Daughters of Charity operates O'Connor Hospital and the DePaul Health Center. The organization has been in the area for over 100 years and is committed to serving the needs of the community. Andrew cautioned against over saturating the market with health care services. There should be a balance between public and private health care services. The utilization of health care clinics needs to be considered as much as the projected numbers of the uninsured.
- Michele Beasley, with the Greenbelt Alliance, recommended having two health care clinics for Coyote Valley. The health care clinics should be accessible and walkable in Coyote Valley. Planning for the health care clinics now is smart growth and smart planning.

Laurel stated that the next steps regarding this issue are to research what private resources may be

available, determine whether community facilities district (CFD) funds and other types of public financing may be used, look at other planned communities that incorporate health care clinics, and discuss this issue with other health care providers and stakeholders.

The Task Force provided additional comments regarding health care clinics:

- Suggested convening a focus group to discuss health care issues.
- Would like health care clinics to be incorporated into all infrastructure discussions. *Mayor Gonzales stated that health care clinics would not be incorporated into infrastructure discussion at this time. Laurel indicated that staff would need until the end of 2006 to review this issue.*
- Would like the inclusion of health care clinics into the CVSP to be recognized as an option when presented to the City Council.

5. Public Comments

- Consuelo Crosby, a South Coyote Greenbelt property owner, said that the City has not responded to Greenbelt issues. Indicating that the Greenbelt will have agricultural uses is a misleading statement. No new information was presented at the Greenbelt meeting on September 7, 2005.
- Richard DeSmet, a South Coyote Greenbelt property owner and representative of the Coyote Valley Alliance for Smart Planning, wished that the Greenbelt had been better thought-out prior to having it voted on. South Coyote Valley will not be annexed to the City and yet the City has planned its land uses. This "legislation hurts South Coyote property owners economically." The eastside of Monterey Road along Coyote Creek should be designated as a Greenbelt.
- Frank Crane, representing the Mikami family, recommended that the east side of Monterey Road be included in the early stages of improvements where there are already existing infrastructure. The City promised services to this area years ago. Frank suggested that jobs at Gavilan College should be included in the job count. Education brings value to the community and would be a positive force in building the economy. He indicated that the old definition of "jobs" no longer applies to the current Plan.

6. Adjourn

Mayor Gonzales adjourned the meeting at 7:20 p.m. The next Task Force meeting will take place on October 24, 2005.